

LEGIS. RECEIVED
99 JUN 23 PM 1:16

**OFFICIAL
FILE COPY**

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

TOWN OF GREENSBURG

Louisiana

FINANCIAL STATEMENTS AND AUDITOR'S REPORTS

As of and for the Two Years
Ended December 31, 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

Anthony B. Baglio, C.P.A., A.P.A.C.
Certified Public Accountants

TOWN OF GREENSBURG

Louisiana

General Purpose Financial Statements As of and for the two Years Ended December 31, 1998 With Supplemental Information Schedules

TABLE OF CONTENTS

	Statement	Page
Independent Auditor's Report on the Financial Statements		03
General Purpose Financial Statements		
Combined Balance Sheet - All Fund Types and Account Group	A	05
Governmental fund-General Fund		
Statement of Revenues, Expenditures, and Changes in Fund Balance.....	B	06
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual.....	C	07
Proprietary Fund Type		
Combined Statement of Revenues, Expenditures and Changes in Retained Earnings-Proprietary Funds for Year Ended December 31, 1998.....	D	08
Combined Statement of Revenues, Expenditures and Changes in Retained Earnings-Proprietary Funds for Year Ended December 31, 1997.....	E	09
Combined Statement of Cash Flows-Proprietary Fund Type.....	F	10
Notes to Financial Statements.....		11
Supplemental Information Schedules		
Schedule of Expenditures Compared to Budget (GAAP Basis).....		30

TOWN OF GREENSBURG
Louisiana

General Purpose Financial Statements
As of and for the two Years Ended December 31, 1998
With Supplemental Information Schedules

TABLE OF CONTENTS (Continued)

	Statement	Page
Compliance and Internal Control Report		
Independent Auditor's Report on Compliance and On Internal Control Over Financial Reporting Based On an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>		32
Audit Findings		
Summary Schedule of Prior Audit Findings.....		34
Corrective Action Plan for Current Year Audit Findings.....		35
Management Letter		36

ANTHONY B. BAGLIO, CPA
A PROFESSIONAL ACCOUNTING CORPORATION
2011 Rue Simone
Hammond, Louisiana 70403
(504) 542-4155 or (504) 542-4186

INDEPENDENT AUDITOR'S REPORT

The Honorable Kenneth L. Carter, Mayor
and Members of the Board of Aldermen
Town of Greensburg, Louisiana

I have audited the accompanying general-purpose financial statements of the Town of Greensburg, State of Louisiana as of and for the two (2) years ended December 31, 1998, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Mayor and the Board of Aldermen of the Town of Greensburg, State of Louisiana. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

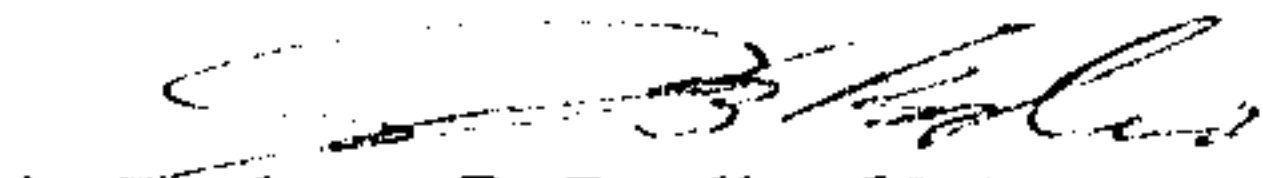
I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Greensburg, as of December 31, 1998, and the results of its operations and the cash flows of its proprietary fund type for the two (2) years then ended in conformity with generally accepted accounting principles.

In accordance with *Governmental Auditing Standards*, I have also issued my report dated May 15, 1999 on my consideration of the Town of Greensburg, Louisiana internal control over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts and grants.

The Honorable Kenneth L. Carter, Mayor
Independent Auditors Report
May 15, 1999
Page 2

My audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The Supplemental information schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Greensburg. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



Anthony B. Baglio, CPA
Hammond, Louisiana
May 15, 1999

TOWN OF GREENSBURG
Greensburg, Louisiana
All Fund Types and Account Group

STATEMENT A

Combined Balance Sheet
December 31, 1998

	Governmental Fund	Proprietary Funds		Account Group	Total Memorandum Only
	General Fund	Gas and Water Fund	Sewer Fund	General Fixed Assets	
ASSETS					
Cash	\$ 76,612	\$ 74,406	\$ 3,577		\$ 154,595
Investments - CD's	264,207	385,964			650,171
Receivables (Net of Allowance for Uncollectibles)		37,557	2,160		39,717
Taxes Receivable (Net of Allowance for Uncollectibles)	21,804				21,804
Interest Receivable	14,822	22,629	713		38,164
Due From Other Governmental Units	1,437				1,437
Prepaid Expenses	1,616	4,323			5,939
Restricted Assets - Cash		19,477	19,582		39,059
Other Assets					
Land, Buildings, and Equipment (Net, Where Applicable of Accumulated Depreciation)		348,380	243,406	353,135	944,921
TOTAL ASSETS	380,498	892,736	269,438	353,135	1,895,807
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts Payable	8,233	22,588	315		31,136
Restricted Customer Deposits		19,477			19,477
Bonds Payable-Restricted Assets			3,079		3,079
Bonds Payable			19,868		19,868
Bonds and Notes Payable					
Unearned Revenue					
Total Liabilities	8,233	42,065	23,262		73,560
Fund Equity:					
Contributed Capital		268,662	348,004		616,666
Investment in General Fixed Assets				353,135	353,135
Retained Earnings:					
Reserved		19,477	16,503		35,980
Unreserved		562,532	(118,331)		444,201
Fund Balances:					
Unreserved - Undesignated	372,265				372,265
Total Fund Equity	372,265	850,671	246,176	353,135	1,822,247
TOTAL LIABILITIES AND FUND EQUITY	\$ 380,498	\$ 892,736	\$ 269,438	\$ 353,135	\$ 1,895,807

The accompanying notes are an integral part of this statement.

TOWN OF GREENSBURG
Greensburg, Louisiana
Governmental Fund-General Fund

STATEMENT B

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 1998 and 1997

	1998	1997
REVENUES		
Taxes		
Ad Valorem	\$ 21,770	\$ 18,406
Sales and Use	93,581	97,814
Alcoholic Beverage	2,670	2,476
Franchise	30,882	39,805
Tobacco	3,152	3,152
Licenses and Permits	33,601	31,256
State Funds:		
Parish Roadways Grant	5,802	5,250
Commission on Law Enforcement	4,736	-
Fines and Forfeitures	4,906	1,760
Rebates	5,270	5,180
Gaming Revenue	12,058	10,738
Royalties	7,039	12,683
Interest Earned	19,635	16,360
Other Revenues	635	1,207
Supplemental Pay	6,390	6,936
TOTAL REVENUES	252,127	253,023
EXPENDITURES		
General Government:		
Government Body	22,349	23,723
Ordinances and Proceedings	518	1,015
Financial and Administrative	48,932	55,927
Other General Administrative	3,081	3,040
Public Safety:		
Police	90,253	72,625
Fire	23,271	19,589
Streets	36,628	32,556
Health and Welfare	700	-
Parks and Recreation	224	-
TOTAL EXPENDITURES	225,956	208,475
EXCESS REVENUE OVER EXPENDITURES	26,171	44,548
OTHER FINANCING SOURCES		
Operating Transfers In	8,600	8,600
Operating Transfers Out	-	-
TOTAL OTHER FINANCING SOURCES	8,600	8,600
EXCESS OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND USES	34,771	53,148
FUND BALANCES AT BEGINNING OF YEAR	337,494	284,347
FUND BALANCES AT END OF YEAR	\$ 372,265	\$ 337,495

The accompanying notes are an integral part of this statement

TOWN OF GREENSBURG
Greensburg, Louisiana
Governmental Fund Type-General Fund

STATEMENT C

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balance-Budget
(GAAP Basis) and Actual
For the Years Ended December 31, 1998 and 1997

	GENERAL FUND					
	1998			1997		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
REVENUES						
Taxes:						
Ad Valorem	\$ 18,500	\$ 21,770	3,270	\$ 16,500	\$ 18,406	\$ 1,906
Sales and Use	90,000	93,581	3,581	90,000	97,814	7,814
Alcoholic Beverage	2,300	2,670	370	2,000	2,476	476
Franchise	40,000	30,882	(9,118)	45,000	39,805	(5,195)
Tobacco	3,100	3,152	52	3,100	3,152	52
Licenses and Permits	32,900	33,601	701	30,500	31,256	756
State Funds:						
Parish Roadways Grant	5,802	5,802	-	5,250	5,250	-
Commission on Law Enforcement	5,342	4,736	(606)	-	-	-
Fines and Forfeitures	3,500	4,906	1,406	2,000	1,760	(240)
Rebates	5,270	5,270	-	5,180	5,180	-
Gaming Revenue	12,000	12,058	58	-	10,738	10,738
Royalties	9,000	7,039	(1,961)	11,800	12,683	883
Interest Earned	19,700	19,635	(65)	4,500	16,360	11,860
Other Revenues	635	635	-	1,500	1,207	(293)
Supplemental Pay	6,450	6,390	(60)	-	6,936	6,936
TOTAL REVENUES	254,499	252,127	(2,372)	217,330	253,023	35,693
EXPENDITURES						
General Government:						
Government Body	24,192	22,349	1,843	24,200	23,723	477
Ordinances and proceedings	1,500	518	982	1,000	1,015	(15)
Financial and Administrative	63,975	48,932	15,043	64,615	55,927	8,688
Other General Administrative	3,200	3,081	119	3,200	3,040	160
Public Safety:						
Police	91,990	90,253	1,737	68,108	72,625	(4,517)
Fire	24,900	23,271	1,629	25,059	19,589	5,470
Streets	36,922	36,628	294	36,000	32,556	3,444
Health and Welfare	350	700	(350)	-	-	-
Parks and Recreation	1,000	224	776	1,000	-	1,000
TOTAL EXPENDITURES	248,029	225,956	22,073	223,182	208,475	14,707
EXCESS REV OVER EXPENDITURES	6,470	26,171	19,701	(5,852)	44,548	50,400
OTHER FINANCING SOURCES						
Operating Transfers In	8,612	8,600	12	8,600	8,600	-
Operating Transfers Out	-	-	-	-	-	-
TOTAL OTHER FIN SOURCES	8,612	8,600	12	8,600	8,600	-
EXCESS OF REV AND OTHER SOURCES OVER EXP AND USES	15,082	34,771	19,689	2,748	53,148	50,400
FUND BALANCES AT BEG OF YEAR	337,494	337,494	-	284,347	284,347	-
FUND BALANCES AT END OF YEAR	\$352,576	\$372,265	\$ 19,689	\$287,095	\$337,495	\$ 50,400

The accompanying notes are an integral part of this statement.

TOWN OF GREENSBURG
Greensburg, Louisiana

STATEMENT D

Combined Statement of Revenues, Expenditures, and
Changes in Retained Earnings-Proprietary Funds
For the Year Ended December 31, 1998

	Enterprise Funds		
	Gas & Water Fund	Sewerage Fund	Total
OPERATING REVENUES			
Services			
Gas Sales	\$ 647,637	\$ -	\$ 647,637
Water Sales	44,977	-	44,977
Sewer Service	-	26,371	26,371
TOTAL OPERATING REVENUES	692,614	26,371	718,985
OPERATING EXPENSES			
Salaries	93,594	-	93,594
Payroll Taxes and Insurance	16,105	-	16,105
Gas Purchases	474,572	-	474,572
Electricity	7,487	13,354	20,841
Materials and Supplies	16,466	1,414	17,880
Professional Fees	2,100	2,100	4,200
Truck Expense	7,552	-	7,552
Repairs and Maintenance	7,548	3,014	10,562
Cathodic Protection	2,912	-	2,912
Office Expense	5,971	-	5,971
Insurance	9,700	706	10,406
Dues and Subscriptions	490	-	490
Depreciation	18,394	19,977	38,371
Analytical Services	-	2,764	2,764
Travel	229	-	229
TOTAL OPERATING EXPENSES	663,120	43,329	706,449
OPERATING INCOME (LOSS)	29,494	(16,958)	12,536
NONOPERATING REVENUES (EXPENSES)			
Interest Income	28,163	1,076	29,239
Interest Expense	-	(913)	(913)
TOTAL NONOPERATING REVENUES (EXPENSES)	28,163	163	28,326
INCOME (LOSS) BEFORE OPERATING TRANSFERS	57,657	(16,795)	40,862
OPERATING TRANSFERS IN (OUT)			
Operating Transfers In	-	2,375	2,375
Operating Transfers Out	(10,975)	-	(10,975)
TOTAL OPERATING TRANSFERS IN (OUT)	(10,975)	2,375	(8,600)
NET INCOME	46,682	(14,420)	32,262
BEGINNING RETAINED EARNINGS (DEFICIT)	535,327	(87,408)	447,919
ENDING RETAINED EARNINGS (DEFICIT)	\$ 582,009	\$ (101,828)	\$ 480,181

The accompanying notes are an integral part of this statement.

TOWN OF GREENSBURG

Greensburg, Louisiana

**Combined Statement of Revenues, Expenditures and
Changes in Retained Earnings-Proprietary Funds
For the Year Ended December 31, 1997**

STATEMENT E

	Enterprise Funds		Total
	Gas & Water Fund	Sewerage Fund	
OPERATING REVENUES			
Services			
Gas Sales	\$ 704,286		\$ 704,286
Water Sales	49,771		49,771
Sewer Service		25,315	25,315
TOTAL OPERATING REVENUES	754,057	25,315	779,372
OPERATING EXPENSES			
Salaries	88,613		88,613
Payroll Taxes and Insurance	13,150		13,150
Gas Purchases	526,161		526,161
Electricity	6,857	15,001	21,858
Materials and Supplies	21,779	2,242	24,021
Professional Fees	2,100	2,100	4,200
Truck Expense	9,235		9,235
Repairs and Maintenance	6,942	1,763	8,705
Cathodic Protection	2,433		2,433
Office Expense	5,648		5,648
Insurance	9,673	450	10,123
Dues and Subscriptions	698		698
Depreciation	18,022	22,297	40,319
Analytical Services		2,709	2,709
Other Expenses	232		232
TOTAL OPERATING EXPENSES	711,543	46,562	758,105
OPERATING INCOME (LOSS)	42,514	(21,247)	21,267
NONOPERATING REVENUES (EXPENSES)			
Miscellaneous Income	200		200
Gain on Sale of Equipment	1,520		1,520
Interest Income	28,539	1,433	29,972
Interest Expense		(1,049)	(1,049)
TOTAL NONOPERATING REVENUES (EXPENSES)	30,259	384	30,643
INCOME (LOSS) BEFORE OPERATING TRANSFERS	72,773	(20,863)	51,910
OPERATING TRANSFERS IN (OUT)			
Operating Transfers In		30,000	30,000
Operating Transfers Out	(38,600)		(38,600)
TOTAL OPERATING TRANSFERS IN (OUT)	(38,600)	30,000	(8,600)
NET INCOME	34,173	9,137	43,310
BEGINNING RETAINED EARNINGS	501,153	(96,545)	404,608
ENDING RETAINED EARNINGS	\$ 535,326	\$ (87,408)	\$ 447,918

The accompanying notes are an integral part of this statement.

TOWN OF GREENSBURG

Greensburg, Louisiana

STATEMENT F

Combined Statement of Cash Flows
 Proprietary Fund Type
 For the Year Ended December 31, 1998

	ENTERPRISE FUNDS		
	Gas & Water Fund	Sewerage Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income	\$ 29,494	\$ (16,958)	\$ 12,536
Adjustments to reconcile net operation income to net cash provided by operating activities:			
Depreciation	18,394	19,977	38,371
Decrease (Increase) in accounts receivable	46,464	(150)	46,314
(Decrease) Increase in accounts payable	(38,582)	(1,454)	(40,036)
Decrease (Increase) in prepaid expenses	(4,000)	-	(4,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	51,770	1,415	53,185
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating Transfers In	-	2,375	2,375
Operating Transfers Out	(10,975)	-	(10,975)
NET CASH (USED) FOR NONCAPITAL FINANCING ACTIVITIES	(10,975)	2,375	(8,600)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Net (increase) decrease in restricted assets	(2,040)	(1,352)	(3,392)
Payments for capital acquisitions	(33,500)	(361)	(33,861)
Principal repayments	-	(2,974)	(2,974)
NET CASH (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(35,540)	(4,687)	(40,227)
CASH FLOW FROM INVESTING ACTIVITIES:			
Interest Income	28,163	1,076	29,239
Interest Expense	-	(913)	(913)
NET CASH PROVIDED (USED) FOR INVESTING ACTIVITIES	28,163	163	28,326
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	33,418	(734)	32,684
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	40,988	4,311	45,299
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 74,406	\$ 3,577	\$ 77,983

The accompanying notes are an integral part of this statement

Town of Greensburg
NOTES TO FINANCIAL STATEMENTS
As of and for the Two Years Ended December 31, 1998

INTRODUCTION

The Town of Greensburg was incorporated under the provisions of a special charter. The Town operates under a Mayor-Board of Aldermen form of government. The Town of Greensburg provides public utilities, fire protection, and various other services to its residents. The Town provides law enforcement to the community, and maintains the streets and highways used by the residents.

The Board of Aldermen of the town is comprised of five members, and a Mayor. Each Aldermen, as well as the Mayor are elected for four-year terms. The Board of Aldermen and the Mayor are compensated.

The Town of Greensburg is located in St. Helena Parish in the southeastern part of Louisiana. The population of the town is 682. The Town of Greensburg employs approximately 12 employees, excluding the Board of Aldermen and the Mayor.

The Town provides natural gas, water, and sewer services for approximately 337 residential users, and 100 commercial users. It also maintains approximately 5.18 miles of town streets, and 6.3 miles of state highways.

I. Summary of Significant Accounting Policies

A. BASIS OF PRESENTATION

The accompanying financial statements of the Town of Greensburg have been prepared in conformity with general accepted accounting principals (GAAP) as applied to governmental units. The governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting.

B. REPORTING ENTITY

As the municipal governing authority, for reporting purposes, the Town of Greensburg is considered a separate financial reporting entity. The financial reporting entity consist of (a) the primary government, (municipality), (b) organizations for which the primary government is financially accountable, and

Town of Greensburg
NOTES TO FINANCIAL STATEMENTS
As of and for the Two Years Ended December 31, 1998

(c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Government Accounting Standards Board (GASB) Statement No. 14 established criteria for determining the identification of a primary government unit for financial reporting purposes. The GASB has set forth criteria to be considered in determining which governmental entities are primary governments. An entity is a primary government if it satisfies all of the following criteria:

The entity has a separate governing body elected by the citizenry in a general popular election.

The entity is legally separate from other entities.

The entity is fiscally independent of other state and local government entities.

Based on the above criteria, the Town has determined that the Town of Greensburg, Louisiana, is a primary government and financial reporting entity in accordance with GASB No. 14. The Town has also determined that there are no component units that should be considered part of the Town for financial reporting purposes.

C. FUND ACCOUNTING

The municipality uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the municipality are classified into two categories: governmental and proprietary. In turn, each category is divided into separate fund types. The fund categories and a description of each existing fund type follow:

Categories: governmental and

Town of Greensburg
NOTES TO FINANCIAL STATEMENTS
As of and for the Two Years Ended December 31, 1998

Governmental Funds

Governmental funds are used to account for all or most of the municipality's general activities, including the collection and disbursement of specific or legally restricted moneys, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

General Fund- the general operating fund of the municipality and accounts for all financial resources except those required to be accounted for in another fund.

Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

Enterprise funds - accounts for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds where revenues are recognized when they become measurable and available as net current assets. The governmental fund uses the following practices in recording revenues and expenditures:

1997 governmental and

Town of Greensburg
NOTES TO FINANCIAL STATEMENTS
As of and for the Two Years Ended December 31, 1998

Revenues

Revenues are recognized, under the modified accrual basis of accounting, when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Property taxes and interest are susceptible to accrual. Sales taxes collected and held by the Sheriff Central Collection Agency at year-end on behalf of the government are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this rule is that the principal and interest on long-term debt is recognized when due. Purchase of various operating supplies are regarded as expenditures at the time purchased.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (and any other financing source/use are accounted for as other financing sources (uses).

Proprietary Funds

All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

Town of Greensburg
NOTES TO FINANCIAL STATEMENTS
As of and for the Two Years Ended December 31, 1998

E. BUDGETS

The Town follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Mayor prepares a proposed budget and submits same to the Board of Aldermen prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget was adopted by motion prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts as original adopted, are amended from time to time, by the Board of Aldermen.

F. ENCUMBRANCES - The Town does not use encumbrance accounting.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amount in time deposits and those investments with original maturities of 90 days or less. Under state law, the municipality may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Town of Greensburg
NOTES TO FINANCIAL STATEMENTS
As of and for the Two Years Ended December 31, 1998

H. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the municipality's investment policy. If the original maturities of investments exceed 90 days, they are classified as investment; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

I. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivable and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables

J. RECEIVABLES

Receivables are shown net of allowance for uncollectibles. Uncollectible amounts due for ad valorem taxes and customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectability of the particular receivable.

K. PREPAID ITEMS

Prepaid items are expenditures and expenses, which are paid in the current year, that cover a period sometime in the future. These items include vehicle insurance in which the premiums are due in advance.

L. RESTRICTED ASSETS

Restricted assets applicable to the Gas and Water Fund consisted of cash reserved for customer deposit of \$19,477.

Restricted assets applicable to the Sewer Fund at December 31, 1998, consisted of cash reserved for bond requirements of \$19,582.

Town of Greensburg
NOTES TO FINANCIAL STATEMENTS
As of and for the Two Years Ended December 31, 1998

M. FIXED ASSETS

Fixed assets of government funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

Fixed assets used in the proprietary fund operations are included on the balance sheet of the funds net of the accumulated depreciation. Depreciation of all exhaustible fixed assets used by proprietary fund operation is charged as an expense against operations. Depreciation is computed using the straight-line method over the following useful lives:

Gas and Water Utility -

Gas lines and meters	20 years
Water wells	40 years
Water tanks	40 years
Water lines and meters	40 years
Autos and trucks	3 years
Other equipment	5 years

Sewerage Utility -

Pump stations	30 years
Lines	30 years

N. COMPENSATED ABSENCES

The Town has the following policy relating to annual and sick leave:

Full time employees earn annual leave based on the years of service as follows: Leave begins after six months of full time employment. A full time employee earns 8 hours per month up to 480 hours and then the accumulation stops. The employee also uses this time for sick leave. Leave is not paid upon termination.

The cost of current annual leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure when annual leave is actually taken.

Town of Greensburg
NOTES TO FINANCIAL STATEMENTS
As of and for the Two Years Ended December 31, 1998

O. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligation account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due. Long-term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

P. FUND EQUITY

Contributed Capital

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds when such resources are restricted for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.

Reserves

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

Q. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

R. SALES TAX

The Town assesses a 1% sales and use tax. The proceeds from the sales and use tax are used as follows:

Acquiring necessary lands and capital improvements, necessary employees, additions to water, gas, and sewer systems, fire and police protection, encourage industrial development, and for the general purpose of properly operating and maintaining the Town of Greensburg, for its inhabitants. The proceeds of this tax are accounted for in the General Fund.

Town of Greensburg
NOTES TO FINANCIAL STATEMENTS
As of and for the Two Years Ended December 31, 1998

S. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements - overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

II. FUND DEFICIT

The following individual fund has a deficit in unreserved retained earnings as of December 31, 1998.

	<u>Deficit Amount</u>
Sewer Fund	\$118,331 =====

Had the Town elected to add back the depreciation on assets acquired through grant funds (contributed capital) directly to the Sewerage Fund contributed capital account, its retained earnings would increase by approximately \$229,673, thus eliminating the deficit.

III. LEVIED TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes were levied by the Town in November and billed to the taxpayers December 1. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed. The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of St. Helena Parish.

	1998	1997
Taxes levied	\$17,967	\$19,046
Authorized Millage	7.0	7.0
Levied Millage	6.11	6.11

Town of Greensburg
NOTES TO FINANCIAL STATEMENTS
As of and for the Two Years Ended December 31, 1998

The following are the principal taxpayers for the Town of Greensburg:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>Amount Assessed</u>
Century Telephone	Public Service	\$415,740	14.13%	\$2,540.17
Dixie Electric	Public Service	200,740	6.83%	1,226.52
Bank of Greensburg	Bank	777,450	26.44%	4,750.22
Torch Operating Co.	Oil Exploration	185,700	6.32%	1,134.63

IV. CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents (book balances) at December 31, 1998:

	<u>General Fund</u>	<u>Proprietary Funds</u>
Demand Deposits	\$76,612	\$86,156
Interest-bearing demand Deposits	-	694
Other	-	50
Total	\$76,612	\$86,900

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by fiscal agent. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the fiscal agent bank in a holding or custodial bank that is mutually acceptable to the parties.

At December 31, 1998, the Town has \$167,880 in deposits (collected bank balances). These deposits are secured from risk by 100,000 of federal deposit insurance and \$67,880 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand.

Town of Greensburg
NOTES TO FINANCIAL STATEMENTS
As of and for the Two Years Ended December 31, 1998

V. INVESTMENTS

The following is a summary of investments at December 31, 1998:

	<u>General Fund</u>	<u>Proprietary Funds</u>
Certificates of Deposit	\$264,207	\$416,106

These deposits are secured from risk by \$100,000 of federal deposit insurance and \$580,313 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes statutory requirement on the custodial bank to advertise and sell the

pledged securities within 10 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand.

VI. RECEIVABLES

Receivables as of December 31, 1998, consists of the following:

<u>Class of Receivables</u>	<u>General Fund</u>	<u>Proprietary Funds</u>	<u>Total</u>
Taxes:			
Franchise Tax	\$ 7,839	\$	\$ 7,839
Ad Valorem Tax	3,027		3,027
Sales Tax	8,749		8,749
Other:			
Oil Royalites	537		537
Gaming Revenue	1,915		1,915
Less: allowance for uncollectables	(263)		(263)
Sewer		2,160	2,160
Gas and Water		38,155	38,155
Less: allowance for uncollectables		(598)	(598)
	<u>\$21,804</u>	<u>\$39,717</u>	<u>\$61,521</u>

Town of Greensburg
NOTES TO FINANCIAL STATEMENTS
As of and for the Two Years Ended December 31, 1998

Interest Receivable as of December 31, 1998, on Certificate of Deposits opened February 19, 1997 maturing February 19, 2001:

	<u>General Fund</u>	<u>Proprietary Funds</u>	<u>Total</u>
Interest Receivable	\$14,822	\$23,342	\$38,164

VII. FIXED ASSETS

The changes in general fixed assets follows:

	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
General fixed assets, beginning of year	\$28,050	\$109,542	\$205,594	\$343,186
<u>Additions</u>				
Total Additions	-	-	9,949	9,949
Total balances and additions	<u>28,050</u>	<u>109,542</u>	<u>215,543</u>	<u>353,135</u>
<u>Deductions</u>				
Total deductions	-	-	-	-
General fixed assets, end of year	<u>\$28,050</u>	<u>\$109,542</u>	<u>\$215,543</u>	<u>\$353,135</u>

A summary of proprietary property, plant, and equipment at December 31, 1998, follows:

<i>Gas and Water Utility:</i>	
Land	\$ 1,000
Building	2,000
Gas lines and meters	192,630
Water wells, tanks, lines, and meters	577,828
Equipment	68,318
<i>Sewerage Utility:</i>	
Land	3,000
Sewer lines and lift stations	<u>612,238</u>
Total	1,457,014
Less accumulated depreciation	<u>(865,228)</u>
Net	<u>\$ 591,786</u>

Town of Greensburg
NOTES TO FINANCIAL STATEMENTS
As of and for the Two Years Ended December 31, 1998

VIII. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The following is a summary of payables at December 31, 1998:

	General Fund	Proprietary Funds Gas & Water Fund	Sewer Fund
Withholdings	\$ 3,285	\$ 2,582	\$ -
Accounts	4,948	18,809	315
Sales Tax Payable	-	882	-
Other	-	<u>315</u>	<u>-</u>
Total	<u>\$ 8,233</u>	<u>\$ 22,588</u>	<u>\$ 315</u>

IX. LEASE

In June 1989 the Town entered into a lease agreement with the St. Helena Babe Ruth Association whereby the Town leases a parcel of land to them for a period of 50 years for a sum of \$1.

X. PROPRIETARY FUND CHANGES IN LONG TERM DEBT

The following is a summary of debt transactions of the Town of Greensburg for the Sewerage Fund for the year ended December 31, 1998:

Notes payable, January 1, 1998	\$25,921
Principal retired	<u>(2,974)</u>
Notes payable, December 31, 1998	<u>\$22,947</u>

Notes payable at December 31, 1998, are comprised of the following:

Revenue promissory note:

\$75,000 Sewerage Utility promissory note dated 12-19-67; due in annual installments of principal and interest totaling \$3,887 payable forty (40) years from the date of the note; interest at 3.75%.

Town of Greensburg
NOTES TO FINANCIAL STATEMENTS
As of and for the Two Years Ended December 31, 1998

The annual requirements to amortize the Sewerage Fund debt outstanding as of December 31, 1998, including interest payments of \$3,031 are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Sewerage</u> <u>Revenue</u>
1999	3,887
2000	3,887
2001	3,887
2002	3,887
2003	3,887
2004	3,887
2005	2,656

	\$ 25,978

XI. RESTRICTIONS ON USE-UTILITES REVENUE

Under the terms of the debt agreement on the outstanding Sewerage Utility promissory note dated December 19, 1967, a sufficient portion of income and revenues to be derived from the operation of the sewerage disposal system are pledged to payment of the note together with the interest thereon, and said note is additionally secured by a mortgage on the lands, buildings, machinery and equipment comprising such sewerage disposal system. Revenues derived from the operation of the Sewerage Utility System are to be set aside into the following special funds:

All income and revenues from the operation of the System are to be set aside into a special fund designated "Sewerage Revenue Fund." Such income and revenues are pledged and shall be applied to payment of the note and interest thereon, and to provide an adequate depreciation fund. Out of the Sewerage Revenue Fund there shall be set aside each month into a "Sewerage Operation and Maintenance Fund" amounts sufficient to provide for the payment of the reasonable and necessary expenses of operating and maintaining the system.

Also from the remaining net revenues in the Sewerage Revenue Fund are to be set aside into a sinking fund known as the "Sewerage Revenue Note Fund" an amount constituting not less than 1/12 of the amount of principal and interest becoming due on the next succeeding payment date plus the sum of \$30 per month until a reserve of \$2,000 has been accumulated. At anytime the "Reserve

Town of Greensburg
NOTES TO FINANCIAL STATEMENTS
As of and for the Two Years Ended December 31, 1998

Fund" drops below \$2,000, the monthly payments of \$30 per month shall be resumed. The sinking fund shall be used solely for the purpose of paying the interest and retirement of the note.

Funds will also be set aside into a "Sewerage Depreciation Fund" at the rate of \$30 per month to be paid from the Sewerage Revenue Fund. Moneys in this fund shall be used solely for the purpose of paying the cost of major repairs of damage caused by unforeseen catastrophe and for replacements made necessary by the depreciation of the system. Any surplus in this fund may be transferred into the Sewerage Revenue Note Fund in addition to all other payments required to be made into said Fund.

All cumulative revenues received and not required to be paid in such fiscal year shall be used for the purpose of prepaying the note or to make improvements or extensions to the system.

The Town has various checking and savings accounts that contain funds of \$19,582. These funds have been set aside for the purpose of meeting the requirements of the debt agreement for establishing a Reserve Fund and a Sewerage Depreciation Fund.

XII. RETIREMENT SYSTEM

Employees of the Town of Greensburg are members of the social security system. In addition to employee payroll deductions, Town funds are remitted to match employee contributions. Amount contributed to social security for year ended December 31, 1998 and December 31, 1997 were as follows:

	<u>1998</u>	<u>1997</u>
Aggregate Contributions	\$30,106	\$24,727
Town portions	\$15,053	\$12,367

XIII. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The Town maintains two Enterprise Funds, which provide gas, water, and sewer services. Segment information for the year ended December 31, 1998 and 1997, is as follows:

Town of Greensburg
NOTES TO FINANCIAL STATEMENTS
As of and for the Two Years Ended December 31, 1998

As of and For the Year Ended December 31, 1998

	<u>Gas and Water Fund</u>	<u>Sewerage Fund</u>	<u>Total Enterprise Funds</u>
Operating revenues	\$692,614	\$ 26,371	\$718,985
Depreciation expense	18,394	19,977	38,371
Operating income (loss)	29,494	(16,958)	12,536
Operating transfers out	10,975	-	10,975
Operating transfers in	0	2,375	2,375
Net income	46,682	(14,420)	32,262
Property, plant, and equipment additions	33,500	361	33,861
Total assets	892,736	269,438	1,162,174
Bonds and other long term liabilities payable from operating revenues	-	22,947	22,947
Total equity	850,671	246,176	1,096,847

As of and For the Year Ended December 31, 1997

	<u>Gas and Water Fund</u>	<u>Sewerage Fund</u>	<u>Total Enterprise Funds</u>
Operating revenues	\$754,057	\$ 25,315	\$779,372
Depreciation expense	18,022	22,297	40,319
Operating income (loss)	42,514	(21,247)	21,267
Operating transfers out	38,600	-	38,600
Operating transfers in	0	30,000	30,000
Net income	34,173	9,137	43,310
Property, plant, and equipment additions	38,968	37,267	76,235
Total assets	884,634	288,286	1,172,920
Bonds and other long term liabilities payable from operating revenues	-	25,921	25,921
Total equity	803,988	260,596	1,064,584

Town of Greensburg
NOTES TO FINANCIAL STATEMENTS
As of and for the Two Years Ended December 31, 1998

XIV. COMPENSATION TO MAYOR AND BOARD OF ALDERMEN

Amounts paid to the Mayor and members of the Board of Aldermen for compensation are as follows:

Ronald Ficklin, Mayor (1-1-98 to 4-22-98)	\$2,000
Leslie Dunn, Mayor (4-23-98 to 10-13-98)	2,710
Kenneth Carter, Mayor (10-14-98 to Present)	605
<u>Board of Aldermen</u>	
Greg Carruth	2,750
Ken Carter (1-1-98 to 10-12-98)	2,540
Billy Kilcrease (10-13-98 to 12-31-98)	250
Jimmy Meadows	2,750
Cleve Tidwell	2,750
James Webb, Jr.	<u>2,750</u>
	 <u>\$19,105</u>

XV. DUAL OFFICE HOLDING

The previous Mayor, Ronald Ficklin, who resigned April 22, 1998, was also the Chief Deputy for the Sheriff of St. Helena Parish. This instance of dual office holding may be a violation of LSA R. S. 42:63D, which states that no person holding an elective office in a political subdivision of this state shall at the same time hold another full-time appointive office in the government of a political subdivision thereof. The Louisiana Attorney General issued opinion 92.623 on October 29, 1992 which stated that a mayor of a municipality may not, at the same time, serve as full time deputy sheriff for the parish, under Louisiana's dual office holding laws.

However, the deputy was commissioned on November 4, 1988, and shortly thereafter an Attorney General opinion No. 88-556 dated December 7, 1988 stated that an elected member of the city council may serve a full time salaried deputy sheriff. When the deputy took the job with the sheriff, his understanding of the law, based on the Attorney General opinion in 1988, was that there was no conflict.

Town of Greensburg
NOTES TO FINANCIAL STATEMENTS
As of and for the Two Years Ended December 31, 1998

XVI. ON BEHALF PAYMENTS MADE BY STATE OF LOUISIANA

For the year ended December 31, 1998, the State of Louisiana made on behalf payments in the form of supplemental pay to employees of the police department. In accordance with GASB 24, the Town has recorded \$6,390 for the year ended December 31, 1998 of on behalf payments as revenue and as expenditures in the General Fund.

XVII. CONTRACTS

The Town has a contract with an energy company who furnishes natural gas for the Greensburg community. The utility company manages all aspects for the purchase, transportation, and delivery of the gas. The energy company cannot purchase gas for the Town's account for a term longer than one hundred eighty days without the Town's consent. The present agreement will expire on September 30, 1999 unless terminated by either party by at least sixty days written notice prior to the commencement of the ensuing yearly period.

XVIII. FEDERAL GRANTS

The Town received two federal grants passed through the State of Louisiana Commission on Law Enforcement for a total amount of \$4,736. The police department purchased with these grants law enforcement equipment in the total amount of \$5,699.

XIX. YEAR 2000 ISSUE

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the Town's operations in 1999 and beyond. The Town of Greensburg uses an outside accounting firm to process its accounting. This outside firm is of the opinion they are year 2000 compliant. The Town of Greensburg is dependent on funding from various sources. The effect, if any, the year 2000 compliance would have on the Town's ability to obtain funding is not determinable.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Town's remediation efforts will be successful in whole or in part, or that the individuals and or agencies that fund the Town will be year 2000 ready.

Town of Greensburg
NOTES TO FINANCIAL STATEMENTS
As of and for the Two Years Ended December 31, 1998

XX. COMPLIANCE WITH LAWS

The Town of Greensburg did not follow the Public Bid Law in regards to the movement of a gas line. The Town declared an emergency for the project, which would not require bidding but failed within ten (10) days thereof, be published in the official journal of the public entity proposing or declaring such public emergency.

XXI. LITIGATION

The former police chief is being sued by an individual alleging wrongful police conduct. The defense on this lawsuit is being provided through the Town of Greensburg's insurance carrier, Risk Management, Inc.

Supplemental Information Schedules

TOWN OF GREENSBURG
Greensburg, Louisiana

Schedule of Expenditures Compared to Budget (GAAP Basis)
Governmental Fund
For the Years Ended Decembr 31, 1998 and 1997

	1998			1997		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
General Government:						
Government Body						
Salaires	\$5,500	\$5,500	\$0	\$6,000	\$6,000	\$0
FICA-Employer Portion	1,492	1,462	30	0	0	0
Life and health insurance	0	0	0	0	(99)	99
Performance Fidelity Bond	2,000	1,782	218	2,000	1,782	218
Conventions	1,200	0	1,200	1,200	1,040	160
Official fees	14,000	13,605	395	15,000	15,000	0
Total Government Body	24,192	22,349	1,843	24,200	23,723	477
Ordinances and Proceedings:						
Ordinances and Proceedings	1,500	518	982	1,000	1,015	(15)
Total Ordinances and Proceedings	1,500	518	982	1,000	1,015	(15)
Financial and Administrative						
Salaries	17,671	18,445	(774)	17,060	16,079	981
FICA-Employer Portion	1,352	1,477	(125)	1,305	1,308	(3)
Life and health insurance	0	197	(197)	0	0	0
Unemployment and Worker's Compensation	3,500	2,842	658	3,500	3,698	(198)
Penalties	2	2	0	0	0	0
Dues and Subscriptions	1,200	1,342	(142)	1,200	791	409
Utilities	3,000	2,899	101	2,700	2,253	447
Telephone	4,000	3,602	398	4,000	3,309	691
Maintenance - Machinery and Equipment	500	44	456	0	0	0
Professional Fees - Legal	2,100	2,100	0	2,100	1,925	175
Professional Fees - Accounting	8,000	6,743	1,257	12,500	12,187	313
Performance Fidelity Bond	500	0	500	500	256	244
Office Supplies	9,900	5,195	4,705	9,900	7,355	2,545
Miscellaneous Supplies	5,000	0	5,000	0	0	0
Supplies - Building and Grounds	1,400	1,057	343	5,000	3,587	1,413
Conventions	4,850	2,156	2,694	4,850	3,179	1,671
Total Financial and Administrative	62,975	48,101	14,874	64,615	55,927	8,688
Other General Administrative:						
General Administrative, Fire, and Casualty	3,200	3,081	119	3,200	3,040	160
Total Other General Administrative	3,200	3,081	119	3,200	3,040	160
Public Safety:						
Police						
Salaires	47,533	50,128	(2,595)	48,879	41,943	(6,241)
Salaires-Supplemental Pay	6,450	6,390	60	0	0	0
FICA-Employer Portion	4,130	4,308	(178)	3,262	3,667	(405)
Life/Health Insurance	1,469	1,156	313	0	0	0
Unemployment and Worker's Compensation	1,608	0	1,608	1,608	0	1,608
Maintenance-Auto and Truck	3,500	1,658	1,842	3,100	1,683	1,417
Performance Fidelity Bond	7,000	6,988	12	5,200	6,587	(1,387)
Auto Insurance	2,000	913	1,087	2,000	4,030	(2,030)
Office Supplies	1,500	1,983	(483)	500	(10)	510
Uniforms and Related Items	2,000	4,201	(2,201)	3,300	2,694	606
Vehicle Supplies	5,600	5,373	227	5,600	4,391	1,209
Dues and Subscriptions	1,000	523	477	400	284	116
Conventions	500	296	204	500	420	80
Total Police	\$84,290	\$83,917	\$373	\$74,349	\$65,689	(\$4,517)

See accountant's report

TOWN OF GREENSBURG

Greensburg, Louisiana

Schedule of Expenditures Compared to Budget (GAAP Basis)

Governmental Fund

For the Years Ended Decembr 31, 1998 and 1997

	1998			1997		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
Fire						
Salaires	\$1,000	\$0	\$1,000	\$200	\$200	\$0
Utilities	500	1,152	(652)	100	78	22
Maintenance-Machinery and Equipment	4,000	2,327	1,673	6,300	5,223	1,077
Fire and Casualty Insurance	1,300	346	954	1,300	1,097	203
Auto Insurance	6,500	4,294	2,206	4,500	780	3,720
Vehicle Supplies	3,500	7,459	(3,959)	1,500	1,263	237
Materials and Supplies	1,300	1,233	67	3,000	2,015	985
Travel	4,800	3,870	930	4,800	5,574	(774)
Total Fire	22,900	20,681	2,219	21,700	16,230	5,470
Streets:						
Streets						
Salaires	8,000	9,107	(1,107)	8,000	8,000	0
FICA - Employer Portion	612	685	(73)	600	600	0
Utilities - Streets	22,100	20,239	1,861	22,100	20,274	1,826
Maintenance - Autos and Trucks	1,000	1,943	(943)	0	93	(93)
Maintenance - Machinery and Equipment	3,000	2,721	279	3,300	3,116	184
Fire and Casualty Insurance	710	710	0	700	0	700
Auto Insurance	1,300	455	845	1,300	474	826
Materials and Supplies	0	576	(576)	0	0	0
Total Street	36,722	36,436	286	36,000	32,557	3,443
Health and Welfare	350	700	(350)	0	0	0
Parks and Recreation:						
Parks						
Utilities	1,000	224	776	1,000	0	1,000
Total Parks	1,000	224	776	1,000	0	1,000
Capital Outlays						
Financial Administration	1,000	831	169	0	0	0
Police	7,700	6,336	1,364	0	0	0
Fire Administration	2,000	2,590	(590)	3,359	3,359	0
Streets and Highways	200	192	8	0	0	0
Total Capital Outlays	10,900	9,949	951	3,359	3,359	0
TOTAL EXPENDITURES	\$248,029	\$225,956	\$22,073	\$229,423	\$201,540	\$14,706

See accountant's report

ANTHONY B. BAGLIO, CPA
A PROFESSIONAL ACCOUNTING CORPORATION
2011 Rue Simone
Hammond, Louisiana 70403
(504) 542-4155 or (504) 542-4186

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Kenneth L. Carter, Mayor
and Members of the Board of Aldermen
Town of Greensburg, Louisiana

I have audited the financial statements of the Town of Greensburg as of and for the two years ended December 31, 1998, and have issued my report thereon dated May 15, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Greensburg's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of law, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. *However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion.* The results of my test disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of current year audit findings as item 97-2. I have also noted certain immaterial instances on noncompliance that I have reported to the Town of Greensburg in a separate letter dated May 15, 1999.

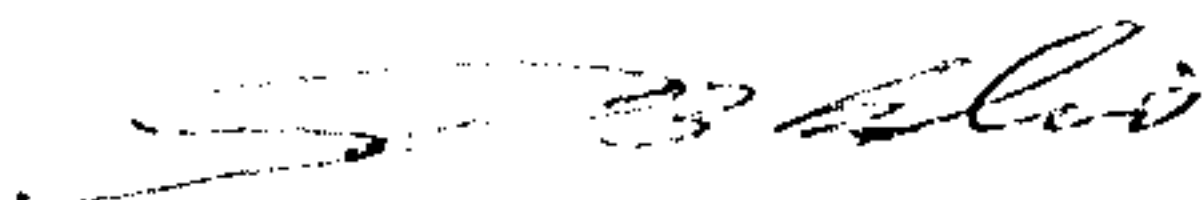
The Honorable Kenneth L. Carter, Mayor
Internal Control Over Financial Reporting
May 15, 1999
Page 2

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Town of Greensburg's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the Town of Greensburg's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of current year audit findings as items 97 and 98-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, I consider 97 and 98-1 to be material weaknesses. I have also noted other matters involving the internal control over financial reporting that I have reported to the Town of Greensburg in a separate letter dated May 15, 1999.

This report is intended for the information of the Town of Greensburg and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.



Anthony B. Baglio, CPA
Hammond, Louisiana
May 15, 1999

TOWN OF GREENSBURG
Greensburg, Louisiana

Summary Schedule of Prior Audit Findings
For The Two Years Ended December 31, 1998

Ref No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Planned Corrective Action/Partial Corrective Action Taken
Section I-Compliance and <u>Internal Control</u> Material to the Financial Statements				
96-1	Jun-96	Inadequate Segregation of Duties	No	Limited size of Town precludes adequate segration of duties
96-2	Jun-96	Pledged Collateral Agreement	Yes	Effective June 12, 1997
Section II-Management Letter				
1	Jun-96	Investment of the idle funds	Yes	
2	Jun-96	Gas Utility Contract	Partial	Did what they could with the utility company

TOWN OF GREENSBURG
Greensburg, Louisiana

Corrective Action Plan For Current Year Audit Findings
For The Two Years Ended December 31, 1998

Ref No.	Description of Finding	Corrective Action Planned	Contact Person	Anticipated Completion Date
Section I-Internal Control and Compliance Material to the Financial Statements				
Internal Control				
97 & 98-1	Inadequate Segregation of Duties	None	Kenneth L. Carter	N/A
Compliance				
97-2	Compliance with Public Bid Law-Did not publish emergency project in newspaper since bids were not taken.	Yes	William C. Dixon	Now
Section II-Management Letter				
1	No Fidelity Bond Coverage	Yes	William C. Dixon	Now
2	Check detail not listed on deposit slips	Partial	William C. Dixon	Now
3	No monitoring system for Occupational License	Yes	William C. Dixon	Now
4	Possible Nepotism Violation	Partial	Kenneth L. Carter	Will Check on this

ANTHONY B. BAGLIO, CPA
A PROFESSIONAL ACCOUNTING CORPORATION
2011 Rue Simone
Hammond, Louisiana 70403
(504) 542-4155 or (504) 542-4186

MANAGEMENT LETTER

The Honorable Kenneth L. Carter, Mayor
and The Members of The Board of Aldermen
Town of Greensburg, Louisiana

Gentlemen:

In planning and performing my audit of the financial statements of the Town of Greensburg for the two years ended December 31, 1998, I considered the Town's internal control structure to plan my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure.

However, during my audit, I noted certain matters, involving the internal control structure and other operational matters that are presented for your consideration. I previously reported on the Town's internal control structure in my report dated May 15, 1999. This letter does not affect my report dated May 15, 1999, on the financial statements of the Town of Greensburg.

I will review the status of these comments during my next audit engagement. My comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. I will be please to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you or your CPA in implementing the recommendations. My comments are summarized as follows:

FINDING NO. I

FIDELITY BONDS

It was noted in reviewing the insurance that fidelity bond coverage was not in effect during the year 1998. Due to the amount of money that is being handled by the Town, it would appear that fidelity bond coverage would be appropriate.

RECOMMENDATION

Meet with your insurance agent and look at the feasibility of getting coverage.

The Honorable Kenneth L. Carter, Mayor
Management Letter
May 15, 1999
Page 2

MANAGEMENT RESPONSE

We will meet with our insurance agent.

FINDING NO. II

DEPOSIT DETAIL

It was noted in reviewing deposits that a listing of checks deposited was not on the deposit slip making it difficult to trace deposits to source documents.

RECOMMENDATION

List out each check on deposit slips.

MANAGEMENT RESPONSE

We will leave a better audit trail for deposits.

FINDING NO. III

OCCUPATIONAL LICENSE

The Town of Greensburg receives occupational licenses from numerous insurance companies. These companies register with the Louisiana Commissioner of Insurance and are required to pay occupational license in the area they do business. The Town does not have any method to determine if they are receiving all required payments from these companies.

RECOMMENDATION

Try to obtain a list of companies that are operating in the Town's jurisdiction and set up procedures to determine if the Town is receiving the correct payments.

MANAGEMENT RESPONSE

We will try to obtain and list and set up procedures to monitor payments.

FINDING NO. IV

POSSIBLE NEPOTISM VIOLATION

In my inquiry to you, I was informed of a present and past employee who has a relative on the Town Council.

The Honorable Kenneth L. Carter, Mayor
Management Letter
May 15, 1999
Page 3

RECOMMENDATION

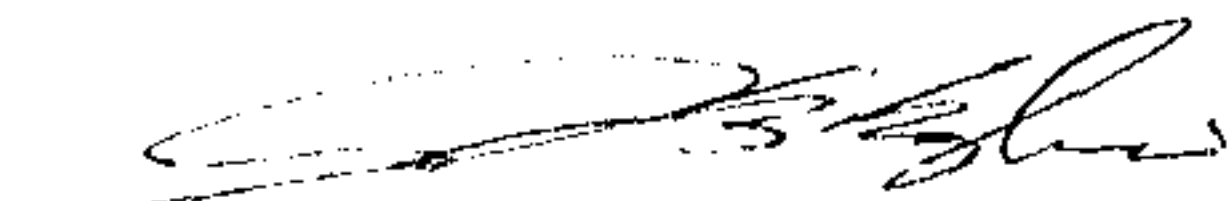
Get an opinion from the LA Board of Ethics whenever there is any possible violation of the nepotism laws.

MANAGEMENT RESPONSE

We will get their opinion.

I would like to thank you and your staff for the helpful cooperation I received during my audit.

This report is intended for the information of management and the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



Anthony B. Baglio, CPA
Hammond, Louisiana
May 15, 1999